Manitoba

# Preliminary Financial Report

Hon. Vic Schroeder - Minister of Finance

**For the Year Ended March 31, 1985**

MD-6308

PROVINCE OF MANITOBA
NOTES TO THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended March 31, 1985

The following financial statements have been prepared by the Department of Finance and have not been audited by the Provincial Auditor. These statements have been prepared using the most current data available and it is anticipated that they will remain largely unchanged when final statements are prepared for the fiscal year.

The financial results of the fiscal year have been prepared on a basis consistent with the established accounting policies of the Provincial Government. The comparative data shown for the 1983-84 fiscal year has been recast to reflect the organizational structure of Departments as established in the 1984-85 Estimates.

Total revenue for the year was $44.3 million lower than the initial budget estimate, down from $2,969.0 million to $2,924.6 million, largely due to personal income tax receipts being $95.8 million less than the budget estimate provided by the Federal Government.

Total spending, including provision for $82.1 million of Special Warrants, was down $50.4 million from the initial budget estimate of $3,457.6 million to $3,407.2 million. This reduction in expenditures has resulted in the Province lapsing approximately $108.7 million of expenditure authority, as follows:

| | (Millions of Dollars) |
|---|---|
| Main Estimates | $3,457.6 |
| Special Warrants | 82.1 |
| Total Spending Authority | 3,539.7 |
| Decrease in Statutory Appropriations | 23.8 |
| | 3,515.9 |
| Total Actual Expenditures | 3,407.2 |
| Total Expenditure Authority Lapsed | $ 108.7 |

Total budgetary requirements, which represents the difference between total current and capital expenditures ($3,407.2 million) and total revenue ($2,924.6 million), was $482.5 million or $6.1 million lower than the initial budget estimate of $488.7 million. The net operating deficit of $191.0 million was approximately $23.5 million above the initial budget estimate of $167.5 million reflecting lower than anticipated capital expenditures.

Supplementary funds were approved by Special Warrant to meet cost increases in the hospital, personal care home and medical programs funded through the Manitoba Health Services Commission ($12.7 million); social assistance programs ($10.9 million); fire suppression, livestock drought assistance and flood assistance ($10.4 million); one-time interest rate reduction of loans under the Manitoba Agricultural Credit Corporation regular loan program ($6.0 million); tax credit payments ($5.5 million); education programs, including the Winnipeg Core Area Agreement - Employment and Affirmative Action ($2.7 million); highway maintenance, particularly in relation to winter maintenance ($2.9 million); Royal and Papal visits ($1.5 million); and miscellaneous departmental requirements.

Approximately 10% or $8.3 million of the additional authority was offset by increased revenue recoveries through cost-sharing arrangements.

The $82.1 million Special Warrant Authority also includes a special $24 million allocation for rental payments as the result of the sale of government-owned buildings to Manitoba Properties Inc. This Corporation acquired these properties on August 1, 1984 and subsequently leased them back to the Province. This sale and lease-back arrangement has resulted in the government achieving a net annualized benefit in excess of $8 million due to reduced public debt costs.

PROVINCE OF MANITOBA
STATEMENT OF DIRECT AND GUARANTEED DEBT
AS AT MARCH 31, 1985
(with figures shown for March 31, 1984)
(UNAUDITED)

| | 1985 | 1984 | NET INCREASE (DECREASE) |
|---|---|---|---|
| | | (Thousands of Dollars) | |
| **DIRECT DEBT:** | | | |
| Gross Direct Debt | $5,471,310 | $4,966,311 | $504,999 |
| Less: | | | |
| Sinking Funds - Cash and Investments | 660,070 | 515,456 | 144,614 |
| Net Direct Debt | $4,811,240 | $4,450,855 | $360,385 |
| **GUARANTEED DEBT:** | | | |
| Gross Guaranteed Debt | $1,672,183 | $1,643,640 | $28,543 |
| Less: | | | |
| Sinking Funds - Cash and Investments | 259,952 | 241,061 | 18,891 |
| Net Guaranteed Debt | $1,412,231 | $1,402,579 | $9,652 |
| Total Direct and Guaranteed Debt - Net of Sinking Funds | $6,223,471 | $5,853,434 | $370,037 |
| **PURPOSE OF DEBT** | | | |
| Crown Corporations, Agencies, Boards and Commissions | $3,698,009 | $3,689,688 | $8,321 |
| Less: | | | |
| Sinking Funds - Cash and Investments | 362,141 | 329,725 | 32,416 |
| | $3,335,868 | $3,359,963 | $(24,095) |
| General Government Programs and Other Purposes | $3,445,484 | $2,920,263 | $525,221 |
| Less: | | | |
| Sinking Funds - Cash and Investments | 557,881 | 426,792 | 131,089 |
| | $2,887,603 | $2,493,471 | $394,132 |
| **PER CAPITA DEBT INFORMATION** | | | |
| Crown Corporations, Agencies, Boards and Commissions (Net) | $3,158 | $3,209 | $(51) |
| General Government Programs and Other Purposes (Net) | 2,733 | 2,381 | 352 |
| Total Direct and Guaranteed Debt - Net of Sinking Funds | $5,891 | $5,590 | $301 |

NOTE: Per capita data is based upon population figures at June 1, 1984 and June 1, 1983 as reported by Statistics Canada.

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PROVINCE OF MANITOBA
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1985
(with comparative figures for March 31, 1984)
(UNAUDITED)

| 1983-84 | 1984-85 | NET INCREASE (DECREASE) | | 1984 - 1985 ACTUAL | 1984 - 1985 ESTIMATED | 1984 - 1985 VARIANCE |
|---|---|---|---|---|---|---|
| (Thousands of Dollars) | | | | (Thousands of Dollars) | | |
| 3,226,104 | 3,407,180 | 181,076 | Total Current and Capital Expenditures - Schedule I | 3,407,180 | 3,457,627 | (50,447) |
| 2,797,155 | 2,924,647 | 127,492 | Less: Total Revenue Schedule II | 2,924,647 | 2,968,951 | (44,304) |
| 428,949 | 482,533 | 53,584 | Total Budgetary Requirements | 482,533 | 488,676 | (6,143) |
| 263,488 | 291,529 | 28,041 | Less: Gross Capital Expenditures | 291,529 | 321,124 | (29,595) |
| 165,461 | 191,004 | 25,543 | Net Operating Deficit | 191,004 | 167,552 | 23,452 |

NOTE: Total Revenue includes Revenue Related to Capital Assets of $19.2 million and $21.4 million for the fiscal years 1983/84 and 1984/85 respectively.



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SCHEDULE I

# PROVINCE OF MANITOBA
## STATEMENT OF EXPENDITURE
## FOR THE YEAR ENDED MARCH 31, 1985
## (with comparative figures for March 31, 1984)
## (UNAUDITED)

| 1983-84 | 1984-85 | INCREASE (DECREASE) | | 1984-1985 ACTUAL | 1984-1985 ESTIMATED | 1984-1985 VARIANCE |
|---|---|---|---|---|---|---|
| (Thousands of Dollars) | | | | (Thousands of Dollars) | | |
| 6,681 | 6,946 | 265 | Legislation | 6,946 | 7,441 | (495) |
| 3,300 | 4,678 | 1,378 | Executive Council | 4,678 | 3,185 | 1,493 |
| 47,994 | 59,724 | 11,730 | Agriculture | 59,724 | 58,071 | 1,653 |
| 65,314 | 66,759 | 1,445 | Attorney-General | 66,759 | 66,646 | 113 |
| 15,549 | 16,449 | 900 | Business Development and Tourism | 16,449 | 19,423 | (2,974) |
| 38,599 | 42,546 | 3,947 | Civil Service | 42,546 | 45,436 | (2,890) |
| 146,334 | 155,000 | 8,666 | Community Services | 155,000 | 156,072 | (1,072) |
| 3,857 | 3,772 | (85) | Consumer and Corporate Affairs | 3,772 | 4,292 | (520) |
| 6,303 | 6,355 | 52 | Co-operative Development | 6,355 | 6,477 | (122) |
| 969 | 660 | (309) | Crown Investments | 660 | 650 | 10 |
| 18,331 | 19,595 | 1,264 | Culture, Heritage and Recreation | 19,595 | 19,525 | 70 |
| 610,027 | 653,279 | 43,252 | Education | 653,279 | 654,352 | (1,073) |
| 163,717 | 184,207 | 20,490 | Employment Services and Economic Security | 184,207 | 173,181 | 11,026 |
| 10,395 | 11,758 | 1,363 | Energy and Mines | 11,758 | 13,862 | (2,104) |
| 15,556 | 11,962 | (3,594) | Environment and Workplace Safety and Health | 11,962 | 12,107 | (145) |
| 467,673 | 460,881 | (6,792) | Finance | 460,881 | 479,605 | (18,724) |
| 76,008 | 93,991 | 17,983 | Government Services | 93,991 | 81,114 | 12,877 |
| 1,001,019 | 1,072,134 | 71,115 | Health | 1,072,134 | 1,082,023 | (9,889) |
| 187,097 | 193,679 | 6,582 | Highways and Transportation | 193,679 | 196,603 | (2,924) |
| 36,373 | 39,016 | 2,643 | Housing | 39,016 | 43,470 | (4,454) |
| 9,828 | 8,779 | (1,049) | Industry, Trade and Technology | 8,779 | 9,296 | (517) |
| 8,833 | 9,084 | 251 | Labour | 9,084 | 9,229 | (145) |
| 32,476 | 34,264 | 1,788 | Municipal Affairs | 34,264 | 36,465 | (2,201) |
| 84,698 | 84,414 | (284) | Natural Resources | 84,414 | 83,351 | 1,063 |
| 26,271 | 26,757 | 486 | Northern Affairs | 26,757 | 29,002 | (2,245) |
| 64,795 | 64,127 | (668) | Urban Affairs | 64,127 | 69,649 | (5,522) |
| 5,396 | 3,881 | (1,515) | Emergency Interest Rate Relief | 3,881 | 4,900 | (1,019) |
| 4,217 | 3,301 | (916) | Flood Control and Emergency Expenditures | 3,301 | 1,000 | 2,301 |
| 68,494 | 69,182 | 688 | Manitoba Jobs Fund | 69,182 | 91,200 | (22,018) |
| 3,226,104 | 3,407,180 | 181,076 | | 3,407,180 | 3,457,627 | (50,447) |

PROVINCE OF MANITOBA

STATEMENT OF REVENUE

FOR THE YEAR ENDED MARCH 31, 1985

(with comparative figures for March 31, 1984)

(UNAUDITED)

SCHEDULE 11

| 1983-84 | 1984-85 | INCREASE (DECREASE) | | 1984-1985 ACTUAL | 1984-1985 ESTIMATED | 1984-1985 VARIANCE |
|---|---|---|---|---|---|---|
| (Thousands of Dollars) | | | | (Thousands of Dollars) | | |
| | | | **TAXATION:** | | | |
| | | | Consumer and Corporate Affairs | | | |
| 14,442 | 15,186 | 744 | - Insurance Corporations Tax | 15,186 | 16,100 | (914) |
| | | | Finance | | | |
| | | | - Canada-Manitoba Income Tax Collection Agreement | | | |
| 110,930 | 129,631 | 18,701 | - Corporation Income Tax | 129,631 | 128,600 | 1,031 |
| 596,126 | 586,872 | (9,254) | - Individual Income Tax | 586,872 | 682,700 | (95,828) |
| 24,122 | 24,484 | 362 | - Corporation Capital Tax | 24,484 | 27,100 | (2,616) |
| 99,738 | 101,814 | 2,076 | - Gasoline Tax | 101,814 | 100,400 | 1,414 |
| 108,142 | 111,144 | 3,002 | - Levy for Health and Education | 111,144 | 108,600 | 2,544 |
| 10,012 | - | (10,012) | - Mining Royalty Tax | - | - | - |
| 23,642 | 9,217 | (14,425) | - Mining Tax | 9,217 | 10,000 | (783) |
| 42,026 | 45,427 | 3,401 | - Motive Fuel Tax | 45,427 | 47,500 | (2,073) |
| 15,292 | 14,717 | (575) | - Oil and Natural Gas Tax | 14,717 | 16,000 | (1,283) |
| 4,621 | 4,721 | 100 | - Pari Mutuel Tax | 4,721 | 5,600 | (879) |
| 355,554 | 391,338 | 35,784 | - Retail Sales Tax | 391,338 | 385,000 | 6,338 |
| 29,506 | 32,808 | 3,302 | - Revenue Act, 1964, Part I | 32,808 | 31,600 | 1,208 |
| 54,283 | 66,129 | 11,846 | - Tobacco Tax | 66,129 | 65,400 | 729 |
| 9,471 | 12,235 | 2,764 | - Reciprocal Taxation | 12,235 | 10,000 | 2,235 |
| 523 | 183 | (340) | - Other Taxes | 183 | 178 | 5 |
| 1,498,430 | 1,545,906 | 47,476 | | 1,545,906 | 1,634,778 | (88,872) |
| | | | **OTHER REVENUE:** | | | |
| 5,896 | 6,840 | 944 | Agriculture | 6,840 | 7,549 | (709) |
| 20,550 | 24,411 | 3,861 | Attorney-General | 24,411 | 20,558 | 3,853 |
| 128,103 | 135,971 | 7,868 | Liquor Control Commission | 135,971 | 130,000 | 5,971 |
| 2,763 | 2,977 | 214 | Community Services | 2,977 | 3,015 | (38) |
| 2,997 | 3,154 | 157 | Consumer and Corporate Affairs | 3,154 | 3,154 | - |
| 7,365 | 7,671 | 306 | Education | 7,671 | 7,636 | 35 |
| 7,673 | 7,979 | 306 | Energy and Mines | 7,979 | 6,813 | 1,166 |
| 1,354 | 4,067 | 2,713 | Finance | 4,067 | 1,225 | 2,842 |
| 3,300 | 3,850 | 550 | Government Services | 3,850 | 4,061 | (211) |
| 34,936 | 37,811 | 2,875 | Highways and Transportation | 37,811 | 34,938 | 2,873 |
| 23,305 | 23,946 | 641 | Natural Resources | 23,946 | 22,859 | 1,087 |
| 16,174 | 18,084 | 1,910 | Other | 18,084 | 19,278 | (1,194) |
| 254,416 | 276,761 | 22,345 | | 276,761 | 261,086 | 15,675 |

| 1983-84 | 1984-85 | INCREASE (DECREASE) | | 1984-1985 ACTUAL | 1984-1985 ESTIMATED | 1984-1985 VARIANCE |
|---|---|---|---|---|---|---|
| (Thousands of Dollars) | | | | (Thousands of Dollars) | | |
| | | | GOVERNMENT OF CANADA: | | | |
| 46,555 | 50,998 | 4,443 | Community Services | 50,998 | 54,271 | (3,273) |
| 26,075 | 27,777 | 1,702 | Education | 27,777 | 27,281 | 496 |
| 77,914 | 88,901 | 10,987 | Employment Services and Economic Security | 88,901 | 83,840 | 5,061 |
| 5,938 | 6,476 | 538 | Northern Affairs | 6,476 | 7,216 | (740) |
| 21,831 | 19,795 | (2,036) | Other | 19,795 | 16,551 | 3,244 |
| | | | Finance: | | | |
| 477,594 | 477,878 | 284 | - Equalization | 477,878 | 481,400 | (3,522) |
| 366,850 | 405,270 | 38,420 | - Established Programs Cash Transfer | 405,270 | 369,100 | 36,170 |
| 2,182 | 2,194 | 12 | - Government of Canada Subsidy | 2,194 | 2,200 | (6) |
| 104 | 1,276 | 1,172 | - Share of Federal Oil Export Tax | 1,276 | 200 | 1,076 |
| 50 | - | (50) | - Population Recovery Adjustment Payment | - | - | - |
| 1,025,093 | 1,080,565 | 55,472 | | 1,080,565 | 1,042,059 | 38,506 |
| 2,777,939 | 2,903,232 | 125,293 | TOTAL CURRENT OPERATING PROGRAMS | 2,903,232 | 2,937,923 | (34,691) |
| | | | REVENUE RELATED TO CAPITAL ASSETS: | | | |
| | | | Other Revenue: | | | |
| 757 | 764 | 7 | Highways and Transportation | 764 | 2,609 | (1,845) |
| 1,257 | 973 | (284) | Natural Resources | 973 | 1,451 | (478) |
| 3,415 | 1,865 | (1,550) | Urban Affairs | 1,865 | 3,020 | (1,155) |
| 972 | 781 | (191) | Sale of Government Assets | 781 | 1,000 | (219) |
| - | - | - | Other | - | 485 | (485) |
| 6,401 | 4,383 | (2,018) | | 4,383 | 8,565 | (4,182) |
| | | | Government of Canada: | | | |
| 1,974 | 2,347 | 373 | Business Development and Tourism | 2,347 | 3,960 | (1,613) |
| 2,367 | 8,364 | 5,997 | Education | 8,364 | 8,438 | (74) |
| 2,076 | 2,312 | 236 | Urban Affairs | 2,312 | 3,470 | (1,158) |
| 6,398 | 4,009 | (2,389) | Other | 4,009 | 6,595 | (2,586) |
| 12,815 | 17,032 | 4,217 | | 17,032 | 22,463 | (5,431) |
| 19,216 | 21,415 | 2,199 | TOTAL REVENUE RELATED TO CAPITAL ASSETS | 21,415 | 31,028 | (9,613) |
| 2,797,155 | 2,924,647 | 127,492 | | 2,924,647 | 2,968,951 | (44,304) |

POOR
QUALITY
ORIGINAL